This record is a partial extract of the original cable. The full text of the original cable is not available.

230737Z Dec 04

UNCLAS SECTION 01 OF 02 ABUJA 002118

SIPDIS

PASS DOT FOR OIA, ALSO FAA

E.O. 12958: N/A

TAGS: EAIR EINV PREL NI

SUBJECT: GON AVIATION MINISTER PROTESTS EMBASSY PRESS BRIEFING ON VIRGIN NIGERIA AIRLINES

REF: (A) ABUJA 1670, (B) GREGOIRE-FAUX-GABLE 1222041444

EMAIL MSG

On 12/21 Aviation Minister Yuguda sent the Ambassador a letter protesting the Embassy's 12/16 briefing of media representatives on the USG position on Virgin Nigeria. The text of Yuguda's letter follows. This letter refers to one of October 14, the text of which is being sent septel. Embassy will cable its proposed reply to both letters December 23. Since many senior GON officials will be on leave next week, Washington officials will have time to approve a reply to the minister's letters, which he may not expect until after New Year's Day.

Begin unedited text of minister's 12/21 letter (FMA/20/2004/152).

His Excellency, Mr. John Campbell, Embassy of the United States of America, Abuja

- [1.] I wish to invite Your Excellency's attention to a recent report contained on the front page of 'This Day' newspaper publication of Friday, December 17, 2004 captioned "We Won't Allow Virgin Nigeria Deal-US".
- 12. This publication alluded to certain statements credited to Mr. Joseph Gregoire, the Economic Counsellor of the Embassy of the United States at a news briefing reportedly held in Abuja on Thursday 16th December, 2004 on the issue of the designation of Virgin Nigeria on the Lagos/US routes.
- 13. Of particular concern to the Nigerian Government arising from this publication is the unwholesome development whereby confidential governmental business and diplomatic matters are

SIPDIS

made subject of newspaper discourse.

- 14. In relation to the above, permit me to refer Your Excellency to correspondence to the United States Embassy Ref. No. FMA/LU2004/1/119 of 14th October, 2004 containing certain clarifications on the status of Virgin-Nigeria aimed at removing any misconception the United States Government may have on the concept of Virgin-Nigeria as the designated flag carrier for Nigeria.
- 15. Surprisingly, while a response was still being awaited to this letter, the Ministry of Aviation, to its utter dismay, read the newspaper publication in question, to the effect that the United States has 'formally' said it will not allow Virgin-Nigeria Airline to operate direct flights into the United States as a result of the restricted United Kingdom air transport policy which is adversely affecting the United States.
- 16. Your Excellency, on the basis of the cordial and friendly relationship between our two Governments over the years, based on the principles of mutual respect and fair play, I would have expected a formal response to my earlier letter rather than subjecting this matter to a press briefing cum newspaper discourse. In the tradition associated with diplomatic matters of this nature, one would further have expected that there would, first and foremost, have been a conclusion reached between the two sides prior to the US Embassy officials engaging the press on the matter. Be that as it may, I would be most appreciative to receive Your Excellency's comments on this unfortunate development.
- 17. Our view at this juncture is that the newspaper report manifests the deep rooted problems in the air transport relationship between the U.S and the UK. Unfortunately, it appears that such problems are being visited on Nigeria in her legitimate efforts to establish a viable private sector airline to compete favourably with other airlines on the international routes.
- 18. It is our further view that Nigeria has so far complied with the established conditions for designation sufficient for the U.S Department of State for Transport, if acting in

good faith in this matter, to exercise a discretion in favour of the Nigerian registered Airline, whose shares are to be held in the majority by Nigerians and to be managed and controlled by Nigerians.

- 19. The emphasis apparently being placed by the U.S. Government (as evident in the newspaper publication) is that the Airline is an entirely Virgin Atlantic of the United Kingdom's matter. The newspaper report regrettably goes on to name some foreign Airlines, which the U.S. expects Nigeria to partner with in the arrangements, which would be acceptable to the United States, without considering the issue of the sovereign rights of Nigeria to make its own decision on the choice of a suitable partner.
- 110. On our part, we consider this matter of the US acceptance of Virgin-Nigeria designation still very much under discussions with the US Government and, relying on Your Excellency's cooperation, it is hoped that an acceptable solution will be arrived at in good time in the mutual interest of our two Governments.
- 111. Suffice it to state at this juncture that the report further referred to the proposed operations of Continental Air into Nigeria by April 2005 without taking into consideration the principle of reciprocity in the bilateral air transport relations between the two sovereign countries. Such proposals by the United States in respect of its own designated Airline may legitimately be attended to on quid pro quo basis.
- 112. Your Excellency's early reaction to the contents of the publication which Nigeria considers to be rather unfortunate and a most inappropriate treatment accorded to a matter of this nature will be most appreciated please.
- 113. While I wish Your Excellency compliments of the season, I again wish to reiterate the assurance of the highest regards of myself, the people and Government of the Federal Republic of Nigeria to Your Excellency.

[signed]
MALLAM ISA YUGUDA
Minister of Aviation

FUREY